



Tax Relief for Historic Building Rehabilitation Projects

Dan Elswick
South Carolina
State Historic Preservation Office

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Tax Relief Is Based on Use

What type of project do you have?

- Historic Building, Income-producing use
- Historic Building, Owner-occupied home
- Non-historic Building, non-residential income producing use
- Low Income Housing Tax Credits
separate program – State Housing Office

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Historic Building Income-producing use

- Federal Income Tax – 20% Credit
- State Income Tax – 10% Credit

May also apply:

- Local Property Tax – Freeze of Tax Value
- State Income Tax for Abandoned Textile Projects – 25% Credit



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Historic Building Owner-occupied home

- State Income Tax – 25% Credit
- May also apply:
- Local Property Tax – Freeze of Tax Value

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Non-Historic Building Income-Producing Use

- Federal Income Tax – 10% Credit
 - Built before 1936
 - Wall retention tests apply – No design review, however
 - Non-residential projects only

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Basic Requirements For Historic Tax Credit Projects

- Be designated HISTORIC, not just old.
 - National Register required for Federal/State, Local designation for local incentive
- Spend enough MONEY.
 - Meet the threshold for the program
- Do the work RIGHT.
 - Work meets Standards for Rehabilitation

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Designated **Historic**

- Listing in the National Register of Historic Places (NRHP)
 - Required for income-producing projects
- Eligible for listing in the NRHP
 - Required for owner-occupied homes
- Local historic designation
 - Required for property tax freeze

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Spend Enough Money

- Income-producing projects
 - Exceed the adjusted basis in 24 (60) months
- Owner-occupied homes
 - More than \$15,000 in 36 months
- Local property tax value freeze
 - More than threshold in local ordinance
- Abandoned textile building projects
 - Notification to SC Department of Revenue

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Do The Work Right

Work must meet the
Standards for Rehabilitation
for these programs:

- Income-producing projects
- Owner-occupied homes
- Local property tax value freeze



What Questions Do You Have?

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